

**INDIAN HEALTH SCHOLARSHIP PROGRAM CONTRACT**  
**SCHOOL YEAR 2003-2004**  
**HEALTH PROFESSIONS**

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
PUBLIC HEALTH SERVICE  
INDIAN HEALTH SERVICE

Section 104 of the Indian Health Care Amendments of 1988 authorizes the Secretary of Health and Human Services ("Secretary"), acting through the Indian Health Service, to provide applicants selected to be participants in the Indian Health Service Scholarship Program ("Scholarship Program") with scholarship awards as established under Section 338A. In return for awards, applicants must agree to provide health services in a manner determined by the Secretary for a period of obligated service equal to one year for each year of scholarship award received, or two years, whichever is greater. Section 338A requires applicants to submit with their applications a signed contract stating the terms and conditions of participation in the Scholarship Program. The Secretary shall sign only those contracts submitted by applicants who are selected for participation.

The terms and conditions of participating in the Scholarship Program for the 2003-2004 school year are set forth below.

**Section A -- Obligations of the Secretary**

Subject to the availability of funds appropriated by the Congress of the United States for the Scholarship Program and the Indian Health Service ("IHS"), the Secretary agrees to:

1. Provide the undersigned applicant ("applicant") with a scholarship award for the school year 2003-2004 during which the applicant:
  - a. is enrolled, or is accepted for enrollment in an accredited (as determined by the Secretary) educational institution in one of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, or American Samoa; and
  - b. is pursuing a course of study leading to a degree in medicine, osteopathy, dentistry, or other health profession which has been approved by the Secretary for participation in the Scholarship Program.

The scholarship award may consist of payments, in whole or in part, for tuition, an amount of all other reasonable educational expenses incurred by the student, and a monthly stipend for the 12-month period beginning with the first month of each school year in which the applicant is a participant in the Scholarship Program.

2. Utilize the applicant to provide health services in accordance with Section B(4) of this contract.
3. Defer performance of an applicant's period of obligated service if the applicant: (1) receives a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry or pharmacy, and (2) requests a deferment of this period to complete internship, residency or other advanced clinical training. The period of deferment may not exceed: (1) three years for applicants receiving a degree from schools of medicine, osteopathy or dentistry, or (2) one year for applicants receiving a degree from schools of veterinary medicine, optometry, podiatry or pharmacy. The Secretary may, however, extend this period of deferment if the Secretary determines that the extension is consistent with the needs of the IHS.
4. Release the Applicant from all or part of his or her service obligation to enter into the full-time private practice of the applicant's health profession where the provisions of Section 338C of the Public Health Service Act, 42 U.S.C. 254n and applicable IHS policies are met. The release is applicable to service obligations incurred under either or both the: (1) Public Health and Indian Health Scholarship Training Program (Section 225 of the Public Health Service Act as in effect on September 30, 1977), and (2) the Indian Health Scholarship Program (Section 751 of the Public Health Service Act as in effect on August 12, 1981, prior to its amendment and redesignation as Section 338A of the Public Health Service Act).

**Section B -- Obligations of the Applicant**

The applicant agrees to:

1. Accept the scholarship award provided by the Secretary under Section A(1) of this contract for the school year 2003-2004.
2. Maintain full-time or part-time enrollment as determined by the Secretary until completion of the course of study for which the scholarship award is provided.
3. Maintain an acceptable level of academic standing while enrolled in the course of study for which the scholarship award is provided.
4. Serve his or her period of obligated service by providing health services, as determined by the Secretary, in the Indian Health Service:
  - a. In the full-time practice of his or her health profession as a commissioned officer in the Regular or Reserve Corps of the Public Health Service, a civilian employee of the United States, or an individual who is not an employee of the United States, providing service in the Indian Health Service, in a program conducted under a contract entered under the Indian Self Determination Act, in a program assisted under Title V of the Indian Health Care Improvement Act, such practice is situated in a physician or other health professional shortage area, designated under Section 332, and addresses the health care needs of a substantial number of Indians; except that scholarship recipients may at their election serve in one of the above programs that is located on the reservation of the tribe in which the recipient is enrolled; or serves the tribe in which the recipient is enrolled; or
  - b. In the full-time private clinical practice of his or her health profession under a Private Practice option agreement (Section 338C of the Act); in a Health Manpower Shortage Area for which designation under Section 332 of the Act has been validated by the Secretary with the applicant's understanding that the full-time private clinical practice option is subject to IHS primary responsibility to fill vacancies within IHS and, in particular, IHS priority sites. Only after IHS vacancies are filled will the applicant receive consideration for the other placement options.
5. Serve one year of obligated service for each year the scholarship award is provided, or two years, whichever is greater.
6. Apply for and undertake placement in accord with established placement policies and procedures.
7. Comply with provisions of Title 42, Code of Federal Regulations.

8. The applicant accepts the right of the Director, IHS to make final decisions regarding assignment of scholarship recipients to fulfill their payback obligation.

**Section C -- Breach of Scholarship Contract**

If the applicant:

1. Fails to maintain an acceptable level of academic standing in the course of study for which the scholarship award is provided, or voluntarily terminates academic training or is dismissed from the educational institution for disciplinary reasons, the applicant shall, instead of performing the service obligation incurred under this contract, repay to the United States all funds paid to the applicant and to the educational institution under this contract. Payment of this amount must be made within 3 years of the date the participant becomes liable to make payment under this paragraph. Obligors who fail to complete their academic training or course of study for which the scholarship is provided, for the reasons described herein, may not substitute another academic training or course of study in order to fulfill any obligation incurred under this agreement. However, obligors who obtain approval from the Director prior to breach of their scholarship contract, may change their academic training or course of study for which the scholarship is provided. The obligors newly approved training or course of study will substitute as the professional discipline in which the obligor serves his or her service obligation.
2. Fails to begin or complete the period of obligated service incurred under this contract for any reason other than those in paragraph 1 of this section, the United States shall be entitled to recover an amount equal to three times the scholarship funds awarded, plus interest, as determined by the formula

$$A = 3 \text{ (S)} \frac{(1 + i)^n}{i}$$

In which:

- 'A' is the amount the United States is entitled to recover,  
'S' is the sum of amounts paid to or on behalf of the applicant and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States.  
'n' is the total number of months in the applicant's period of obligated service, and  
'i' is the number of months of such period served by the applicant in accordance with Section 338B of the Act or with a written agreement under Section 338C of the Act.

The amount the United States is entitled to recover shall be paid within one year of the date the Secretary determines that the applicant has failed to begin or complete the period of obligated service and may include all collection costs including any litigation costs.

**Section D -- Creditability of Graduate Training Toward the Period of Obligated Service**

1. No credit of time for internship, residency, or other advanced clinical training will be counted toward satisfying the period of obligated service incurred under this contract.

**Section E -- Cancellation, Suspension, and Waiver of Obligation**

1. Any service or payment obligation incurred by the applicant under this contract will be canceled upon the applicant's death.
2. The Secretary may waive or suspend the applicant's service or payment obligation incurred under this contract if:
  - a. compliance by the applicant with the terms and conditions of this contract is impossible or would involve extreme hardship, and
  - b. enforcement of such obligation would be unconscionable.

**Section F -- Contract Extension**

1. The applicant may annually request extension of this contract, for a period not to exceed 12 months, if the request is submitted in accordance with procedure established by the Secretary.
2. Subject to the availability of funds appropriated by the Congress of the United States for the Scholarship Program and the IHS, the Secretary shall approve request for contract extension if:
  - a. the request does not extend the total period of scholarship award beyond four years, and
  - b. the applicant is otherwise eligible for continued participation in the Scholarship Program

**Section G -- Documents Incorporated by Reference**

The Indian Health Service Scholarship Program (IHSSP) Student Handbook and the IHSSP Applicant Information-Instruction Booklet are incorporated by reference into this agreement.

The Secretary or his/her authorized representative must sign this contract before it becomes effective.

Applicant Name (Please Print)	Applicant's Signature	Date
Secretary of Health and Human Services		Date